

School Finance Provisions Bill
Senate File 203
As Amended by House Appropriations
Committee Amendment H-1614

Last Action:

**House Appropriations
Committee**

April 19, 2001

An Act relating to certain school finance provisions and providing an effective date.

Executive Summary Only



Document On Line

LEGISLATIVE FISCAL BUREAU
NOTES ON BILLS AND AMENDMENTS (NOBA)

LFB Contact: Shawn Snyder (17799)

EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

SENATE FILE 203 AS AMENDED BY H-1614 SCHOOL FINANCE PROVISIONS BILL

REORGANIZATION INCENTIVES

- Starting in FY 2003 and continuing through FY 2007, school districts with enrollments less than 600 that have reorganized or dissolved will have their uniform levy reduced from \$5.40 per \$1,000 of assessed valuation to \$4.40 per \$1,000 of assessed value in the first year of the reorganization or dissolution. The uniform levy will be increased over the next three succeeding years until the uniform levy returns to the \$5.40 level.
- School districts that have participated in whole grade sharing in FY 2002 and adopt a resolution jointly with other affected school boards to study reorganization or dissolution to take effect by FY 2007 will receive a weighting of 0.1 per pupil for a maximum of two years. School districts that are not participating in whole grade sharing in FY 2002 but initiate a whole grade sharing program beginning in FY 2003 and adopt a resolution with other affected school boards to study reorganization or dissolution to take effect by the end of FY 2007 will receive a weight of 0.1 for the pupils for a maximum of three years.
- Starting in FY 2003 and continuing through FY 2007, school districts that have reorganized, have previously had a whole grade sharing program, and have studied reorganization, will be eligible to receive a weight of 0.1 for the pupils added due to reorganization.
- School districts that qualify for the additional weighting are eligible to receive the additional weighting for a maximum of six years.

FISCAL IMPACT:

- The estimated fiscal impact of the school reorganization incentives cannot be determined at this time. The fiscal impact could occur as early as FY 2003 and would impact the amount of allowable growth eligible school districts would receive.
- Starting in FY 2003, school districts that establish a regional academy are eligible to receive a weighting of 0.10 for resident pupils who attend classes at a regional academy. The maximum amount of additional weighting cannot exceed 15.0 per school district (150 students).

FISCAL IMPACT:

- The estimated FY 2002 fiscal impact of the regional academy incentives is approximately \$62,000 in State aid and \$9,000 in local property tax.
- The estimated FY 2003 fiscal impact of the regional academy incentives is approximately \$510,000 in State aid and \$73,000 in local property tax.

REGIONAL ACADEMY INCENTIVES

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 203 AS AMENDED BY H-1614
SCHOOL FINANCE PROVISIONS BILL**

ON-TIME FUNDING

- An on-time funding provision allows school districts with increasing enrollments to levy an adjustment of the difference between the actual enrollment for the budget year and the budget enrollment for the budget year, multiplied by the district cost per pupil.

FISCAL IMPACT:

BUDGET GUARANTEE

- The estimated FY 2002 statewide property tax cost of this provision is \$11.7 million, with 113 school districts estimated to receive this adjustment.
- In FY 2002, the budget guarantee is 100.0% of the FY 2001 total regular program cost that includes the FY 2001 budget adjustment. The estimated FY 2002 statewide property tax cost of this provision is \$7.7 million, with 115 school districts estimated to receive this provision.
- In FY 2003, a school district would receive the greater of the FY 2003 regular program district cost, or 101.0% of the previous year's regular program district cost, or a 90.0% budget adjustment based on the FY 2002 total regular program district cost with the FY 2002 budget guarantee.
- In FY 2004, a school district would receive the greater of the FY 2004 regular program district cost, or 101.0% of the previous year's regular program district cost, or an 80.0% budget adjustment based on the FY 2002 total regular program district cost with the FY 2002 budget guarantee.
- In FY 2005, a school district would receive the greater of the FY 2005 regular program district cost, or 101.0% of the previous year's regular program district cost, or a 70.0% budget adjustment based on the FY 2002 total regular program district cost with the FY 2002 budget guarantee.
- In FY 2006, a school district would receive the greater of the FY 2006 regular program district cost, or 101.0% of the previous year's regular program district cost, or a 60.0% budget adjustment based on the FY 2002 total regular program district cost with the FY 2002 budget guarantee.
- In FY 2007 and following years, a school district would receive the greater of the FY 2007 regular program district cost or 101.0% of the previous year's regular program district cost.
- The Bill takes effect upon enactment.

EFFECTIVE DATE

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 203 AS AMENDED BY H-1614
SCHOOL FINANCE PROVISIONS BILL**

Fiscal Impact of Senate File 203

	<u>Reorganization Incentives</u>	<u>Regional Academy</u>	<u>On-Time Funding</u>	<u>Budget Guarantee</u>
FY 2002 State Aid	Not Applicable	Not Applicable	\$0	\$0
FY 2002 Property Tax	Not Applicable	Not Applicable	\$11.7 million	\$7.7 million
School Districts Impacted	Not Applicable	Not Applicable	113	115
FY 2003 State Aid	Impact Unknown	\$62,000	Not Applicable	\$0
FY 2003 Property Tax	Impact Unknown	\$9,000	Not Applicable	\$5.4 million
School Districts Impacted	Unknown	one	Not Applicable	103
FY 2004 State Aid	Impact Unknown	\$510,000	Not Applicable	\$0
FY 2004 Property Tax	Impact Unknown	\$73,000	Not Applicable	\$3.5 million
School Districts Impacted	Unknown	Unknown	Not Applicable	72